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NEAR EAST/AFRICA BRANCH

INTELLIGENCE SUMMARY

For Week Ending
28 July 1948

Vol. III No. 29

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GREECE

Prime Minister Sophoulis' submission of his resignation to King Paul was the result of intra-party differences rather than of disillusionment over the record of the US supported Liberal-Populist coalition government. Undoubtedly Sophoulis was confident that the king would not accept his resignation and made the gesture as an object lesson to his own party deputies. The immediate cause of the move was the declaration in parliament by nine Macedonian Liberals that unless the recently abolished government wheat subsidy was restored, they would withdraw their support from the government. Sophoulis was thus expressing annoyance over this particular rebellion within his own party; but he was also probably attempting to discipline the more serious opposition led by Venizelos, deputy head of the party.

Although these events do not add up to a government crisis, it is evident that parliamentary discontent with the government is growing and that a real crisis will probably occur soon after the present Grammos operation has ended, regardless of whether that operation succeeds or fails. If it is a success, opposition members will feel that the threat to the country has been dissipated and that they are therefore free to attack the government; if it is a failure, they will feel justified in censuring the government for mishandling the campaign. Meanwhile, public attention is focused on the strictly military aspects of the battle in the Grammos area, where in the sixth week of operations the army is slowly compressing the guerrilla pocket with air and artillery attacks.

Insistent public agitation for increased strength and fire power for the Greek Army and bombers for the air force has recently developed in Greece. This agitation is deliberate rather than spontaneous, political rather than military, and recalls similar pressure last winter for increasing the size of the army and for providing it with mountain artillery. The fact that the nature of the material requested precludes its use in the present phase of the guerrilla war suggests that Greek political leaders wish to build up the armed forces to their prewar

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level, or at least to a strength commensurate with the armies of other Balkan countries. Further, they probably feel that US reaction to their requests will indicate US long-range policy and the future role contemplated for Greece in the Mediterranean and the Balkans. Although the Greek leaders are perhaps justified in looking beyond the present guerrilla war, it is possible that the immediate effect of the campaign for more materiel will be to discourage the soldier with the belief that he is presently fighting with inadequate equipment, and to arouse the uninformed public against the failure of the US properly to support an embattled ally.

TURKEY

The first quarter-year since the new Soviet Ambassador, Lavrishchev, arrived in Ankara has now passed. There has been no renewal of Soviet demands upon the Turkish Government, such as Foreign Minister Sadak felt might be forthcoming. Lavrishchev has not, indeed, given any hint at all that the USSR might take the initiative in opening up a new diplomatic offensive against Turkey, with demands for special treatment in the Straits and for territory in northeastern Turkey. In private conversations, he has gone no further than to insist upon the futility of US aid and the folly of Turkish rearmament. Beyond pointing out that the USSR and Turkey could establish more friendly relations following the removal of growing US influence in Turkey, Lavrishchev is saying little and doubtless biding his time.

A further break in the opposition Democratic Party may occur some time during the present recess of the National Assembly because the mildness of the demands made by party leaders for reform in the government has caused dissatisfaction among party members. Despite the expected rift, the opposition's wholehearted condemnation of the government and all its works will not be lessened; on the contrary, criticism by Democrats and ex-Democrats will gain in fervor what has been lost in unanimity. Both groups are likely to boycott next month's by-elections, because of their dislike of certain aspects of the new law governing electoral procedure. The government party, which already controls the overwhelming majority of the National Assembly votes, is likely in a few weeks to add another thirteen votes to its already impressive total.

PALESTINE

Fighting between Arabs and Jews has almost completely stopped with the arrival in Palestine of the first contingents of the UN teams to observe the truce. To all outward appearances the situation is now more conducive

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to a settlement of the Palestine issue than at any time since the UK mandate was abandoned on 15 May 1948. The Jews are in a strong position militarily and politically, but because the success of their cause is based largely on UN support, they might presumably be expected under UN pressure to make certain concessions to the Arabs in order to consolidate what they have already gained. The Arabs, on the other hand, are in a very weak position. In accepting the truce extension, they admitted they were unable to defy the UN, and some of their leaders intimated that the Arab states would acquiesce in a solution of the Palestine issue imposed by the UN. It might be expected, therefore, that both Israel and the Arab states would be prepared tacitly to accept the status quo, which can be preserved if the cease-fire is rigidly enforced. In such an event, the Jews would consolidate their new state, and the Arab governments would concentrate on strengthening their authority over those extremist groups which wish to carry on a suicidal war.

There are, however, already indications that neither the Provisional Government of Israel nor several of the Arab governments are in a position to follow the dictates of reason and moderation. Confident in the strength of its military and international position and egged on by the Irgun Zvai Leumi and the Stern Gang, Israel has gone counter to the UN plan to de-militarize Jerusalem by declaring the city an Israeli protectorate. Israel has also taken over the Haifa refinery against the objections of the UK and France as well as of the Arabs. The Arab governments have so far been able to control popular demonstrations against the truce. However, such provocative actions by Israel, in addition to several flagrant truce violations and the acute Arab refugee problem, will make it increasingly difficult for such states as Iraq, Syria, and Lebanon to maintain a moderate course.

Arab League solidarity is threatened by the Palestine issue—the tie which, until now, has bound the members of the League together. A rift has developed between Transjordan, which advocates peace and moderation in Palestine, and those states (notably Iraq, Syria, and Lebanon) which continue to maintain an uncompromising attitude toward the Palestine problem. Even before the League signified its official acceptance of the Security Council's cease-fire order, Transjordan (like Egypt) forwarded to the UN Mediator an independent acceptance. Transjordan has also indicated that it is prepared to reach a compromise with Israel on a realistic basis. The Iraqi Government, on the other hand, has asserted that it did not approve and will not support the League's decision to accept the cease-fire. Israel is in a position, by making concessions to the more moderate Arab states such as Transjordan and Egypt, to exploit this rift and possibly even to bring about the complete collapse of the

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INDIA

Although the UN Kashmir Commission's cease-fire proposal is apparently acceptable in principle to India and Pakistan, both dominions are unrealistic in the conditions which they have laid down as prerequisite to formal acceptance of the proposal. Pakistan has offered to withdraw its nationals from the fighting fronts if India will also withdraw its troops. India, in turn, demands the removal of Pakistan troops and insists that Indian units be allowed to continue occupation of the territory they now hold plus certain additional strategic points. The Commission expects to achieve a cease-fire, but India's recent successful negotiation for the loan of 10,000 Nepalese troops does not suggest Indian anticipation of a peaceful settlement.

Serious deterioration in the Hyderabad situation is indicated by recent events. Nehru, the Indian Prime Minister, has reiterated publicly that unless Hyderabad accedes to India, it may be necessary to initiate military operations against the state. Moreover, the Government of India has reacted sharply to a clash between Indian and Hyderabad forces in a strip of the state across which Indian troops have free passage as provided by agreement with Hyderabad. In view of the lull in the Kashmir operations (made necessary by the monsoon), it is possible that Indian forces will be ordered into Hyderabad with the expectation of bringing the state under Indian control before military action is resumed in Kashmir. Meanwhile, the Nizam of Hyderabad has indicated that he will refer the dispute to the UN, probably through the medium of one of the Moslem countries.

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